

NSC BRIEFING

21 May 1958

## INDONESIA

I. Djakarta effort to crush North Celebes dissidents appears well underway.

- A. Government on 20 May announced recapture of airfield on Morotai island and coastal town of Gorontalo in North Celebes, *presumably on 19 May.*  
*1. However, dissidents say they took Gorontalo on 20 May.*
- B. These operations had been preceded by 15 May air strikes against dissident capital of Manado and against Djailolo.

1. Strike against Manado destroyed four dissident aircraft and damaged two others.
2. *Press vent of just claim of drive toward Djailolo.*

III. Dissident B-26 aircraft shot down during attack on Ambon on 18 May.

- B. Dissident strike, however, reportedly destroyed or severely damaged three government F-51's and one B-25 at Ambon and hit several ships in harbor.

IV. Dissident ground activity continues in widely scattered areas.

DIA and DOS review(s) completed.

- A. Dissident force of approximately 300 men which had landed north of Toboli is in Palu area but is not known to have made contact with government troops.
- B. In North Sumatra, dissident guerrillas are continuing to harass government forces.

[redacted] -undoubtedly speaking for Nasution--told US army attache on 15 May that moderate Indonesian leaders had four major objectives which must be dealt with in succession:

- A. Air and logistical support to dissidents must be terminated.
- B. North Celebes dissidents must be defeated.
- C. Changes in cabinet must take place, either concurrently with or after dissidents' defeat.
- D. Action must be undertaken to control Communist activity.

VI. These objectives apparently obviate possibility of negotiated settlement with rebels; in fact, leading government officials have repeatedly stated negotiation out of question.

- A. Dissident military leader, Lt Col Sumual, <sup>publicly</sup> reportedly asked for peace talks on 21 May. *Gen't publicly refused offer*

VII. Hour-long extemporaneous speech by Sukarno on 20 May to audience including diplomatic representatives was more favorable to US than any delivered since beginning of revolt.

- A. Although he alluded briefly to foreign intervention, he named no nation and made no inferences.
- B. US ambassador felt speech was obviously directed toward rapprochement with US; this was evidently so apparent that Soviet ambassador repeatedly flushed with anger.

- C. At one point, Sukarno said neither Dutch nor USSR nor US was "good enough to govern Indonesia."

VIII. It is of interest that Sukarno's speech had been preceded by three-

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apparently was able to make some points Sukarno probably would not have taken from anyone else.

- A. [ ] reports Sukarno was first incredulous, then apparently impressed when [ ] told him USSR is biggest capitalist state in world today, that its system is one of state capitalism, and that its worker exploitation is in stage comparable to that prevailing in America around turn of century.

IX. Sukarno's speech appears to be renewed effort to improve relations with US noted in early April and then apparently overridden as Indonesian officials became convinced of US aid to dissidents.

- A. This appears to parallel continued army efforts to obstruct Communism.

1. In April, army had ordered restrictions on Communist-sponsored May Day celebrations and arranged cessation of largely Communist-inspired anti-US and anti-SEATO demonstrations. Since then it has ~~since~~ banned clearly Communist-inspired anti-intervention mass rally in Djakarta.

X. Restrictions on Communists, however, are far from thorough-going.

- A. Object apparently is simply to keep Communist movement from getting out of hand.

1. Restrictions have virtually no effect in undermining Communist appeal to masses or in obstructing Communist sub-

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